

## **Approved Minutes of the Maricopa HOME Consortium**

### **Public Meeting**

**July 16, 2015**

**9:30 a.m.**

**Present:**      **Matt Hess, City of Avondale (telephonically)**  
                  **Barbara Bellamy, City of Chandler**  
                  **Melissa Vizzerra, City of Chandler**  
                  **Jessica Fierro, Town of Gilbert**  
                  **Gilbert Lopez, City of Glendale**  
                  **Diane Ethington, City of Scottsdale**  
                  **Jason Hughes, City of Surprise**  
                  **Jaime Gonzalez, City of Peoria**  
                  **Amy Jacobson, Maricopa County**  
                  **Carl Morgan, Maricopa County**  
                  **Carissa Cyr, Maricopa County**  
                  **Lisa Lowery, Maricopa County**  
                  **Regina Marette, Maricopa County**

#### **1.      Call to Order and Roll Call**

At 9:34 a.m., Amy Jacobson called to order the July 16, 2015 Maricopa HOME Consortium Public Meeting held at the Security Building in Classroom 1, Floor 1A, at 234 North Central Ave., Phoenix, Arizona 85004. The Roll was called and a quorum was established.

#### **2.      Approval of Minutes (5/21/15)**

Amy called for a motion to approve the minutes of the May 21, 2015 monthly HOME Consortium Public Meeting unless there were any changes or corrections to the minutes. Jason Hughes made one correction: City of Avondale should read City of Surprise. Gilbert Lopez motioned to approve the May 21, 2015 Minutes. The motion was seconded by Barbara Bellamy and passed unanimously.

#### **3.      HOME Commitment Shortfall**

Regina gave an update on the commitment shortfall. As of today, the current shortfall is \$753,695, as shown on the PR49 handout included in the packet. The deadline to meet that commitment is August 31, 2015. The County plans to make up the shortfall with City of Tempe's Desert Willow project (\$128,057), City of Tempe's Meridian @ 101 Project (\$205,000), and Avondale's Legacy New Construction project (\$397,779). Regina reminded everyone to continue to send in Set up forms and ERs.

#### **4.      SHPO Programmatic Agreement Update**

Carl gave an overview of the process. He stated that last fall the County started working on putting together a Programmatic Agreement with SHPO to cover all of the Consortium's rehab funded projects. So that if you had a HOME funded rehab project members would not have to go to SHPO each time, as most rehab activities would be covered under the agreement. The agreement was drafted and sent to the Consortium members in April when there was a request to have new construction activities added to the agreement. Since then the County has had several conversations with SHPO and the City of Glendale about including new construction in their Programmatic Agreements. Carl said that we really are not making any progress.

His latest conversation with SHPO was on July 14<sup>th</sup> and SHPO said that as far as new construction is concerned they don't see any easy way to add new construction to the agreement. The problem is that

when you include rehabilitation in a programmatic agreement you agree to replace the structure with something similar. With new construction, there are a lot of unanswered question because there are so many different scenarios for example, single family detached versus a townhome, inside or outside an historic district, are there historic properties within view? SHPO does not foresee this issue being resolved within the next 30 days. Carl asked the Consortium if they wanted to move forward with the request as it is and wait and see what SHPO comes back with or if the Consortium wanted to remove new construction from the agreement.

Gilbert Lopez asked that if the City of Glendale were to get new construction approved through the Glendale IGA, and the Consortium IGA does not have new construction, would the County honor that if it were HOME or would the City of Glendale have to amend it? Carl responded that in order for the HOME Consortium to make use of an IGA, Maricopa County would have to sign it. So therefore the County would either have to be a signer on the City of Glendale IGA or amend the Consortium IGA. Carl stated that he believed that SHPO would like to have just one IGA and that SHPO's preference would be to amend the County IGA. Gilbert Lopez said he wanted to leave new construction in the agreement since we have waited so long already. Following discussion by the Consortium members, the Consortium agreed to move forward with agreement without new construction. Gilbert requested a month to review the draft agreement and asked if any of the other members had a problem with waiting. All the members in attendance agreed that it wouldn't hurt to wait another month. The other members agreed that they could wait one month. Carl said that he would send the draft agreement to the Consortium and request a response by the next Consortium meeting on August 20th. Once the agreement is ready for final approval, it is expected to take at least 6 weeks or until the beginning of October until it is approved.

#### **5. Grant Based Accounting-HUD**

Amy said that everyone knows that beginning with FY2015-2016 HUD will no longer be using the FIFO method of accounting and is implementing grant based accounting. She said the County and the Consortium is well on their way to managing this significant change with the subrecipient contracts. Prior year funding will still utilize FIFO. Included in the Consortium members' packet is a matrix of the changes and how they will affect the HOME program. One of the significant changes relates to program income. The County will be receipting program income in IDIS. Program income will no longer be used in a FIFO manner. Program income will be committed manually (through a set up form) to a specific activity which will make it easier to budget. Another change that the Consortium should be aware of is in reference to de-obligation of funds. Funds must remain committed after the two yare deadline or the funds will be swept. If a previously committed activity is cancelled or comes in under budget after the two year commitment deadline, the funds will be de-obligated by HUD. Those funds will not be allocated to another project after the commitment deadline has passed.

#### **6. New Consortium Forms**

- Request for Reimbursement-the Consortium is no longer using the cover letter requesting funds nor the HUD 40999 LOCCS/VRS form.  
Lisa talked about the types of back up documentation that are required. She said she needs a copy of the invoice and proof of payment. Proof of payment could mean a copy of the check (preferred) or the general ledger. For payroll, we need the timesheets (and please highlight the time that is associated with each activity). For project delivery fees, we will need to see that time is allocated to a specific address.
- Contract Performance Reports-these are the activities based on the Annual Plan and the milestones from the contracts. These are quarterly reports.
- Program Income/Recaptured Funds-differentiating between PI and Recaptured funds. There are no administrative funds in connection with recaptured funds, so they are tracked separately.
- Lead Based Paint Disclosures. Reminder to include a disclosure in all your project files.

**7. Standard Current Practices Manual Update-**

Amy said that we are getting close to finalizing the manual. We have included some new additions, including an underwriting template. Everything that has been completed is on the MyHSD website. Carissa said that we are capturing all of the new forms so that the manual isn't obsolete before we issue it. She said that when the document is released the sections will be combined as one document with a table of contents and working links. Feedback will be very important, so please read the document once it is released. Carissa said she will email any of the consortium members with outstanding assignments as a reminder.

**8. FY2015/2016 HOME Contracts-**

Amy said that Regina will be sending out the work statements for the draft FY 2015/2016 HOME Contracts by tomorrow. The County is making minor changes to the contracts based on the new forms and the new grant based accounting system. A draft template of the contract will be sent within the next couple of weeks. Amy asked the members to respond via email that they have reviewed the document and approve of the draft contract as a final version so that the County can process exactly what each jurisdiction approves to the Board of Supervisors. Jaime asked if the County could summarize the changes in a separate document. Amy said by the next Consortium meeting, if not sooner, that the County should have all of the contracts finalized. Amy added that she emailed Richard Thomason from HUD regarding the FY2015-2016 grant agreements. He said he still doesn't know when we will receive our grant agreements, but hopefully it would be by the end of August.

**9. Community Presentation-**

Barbara Bellamy gave a brief overview of their HOME funded Habitat for Humanity's Housing Reconstruction Program in the City of Chandler. This program started in late 2012. This program addresses homes that are basically uninhabitable and \$50,000 is not enough to address all of the defects. The City of Chandler contracted with Habitat to undertake this program. The City has a subrecipient agreement with Habitat, not a developer agreement. The homes in the program are referred to the Neighborhood Resources Department by Code Enforcement. Habitat is well versed in the regulations and understands how to qualify the applicants under the HOME program. The only thing Habitat will not do in this program is relocation. Fortunately, the City of Chandler has a positive on-going partnership with some apartment complexes that will provide short term leases that include utilities. The City always uses commercial movers that have in-house storage facilities that are insured.

Habitat works with the family from the initial phase of qualification through construction and move-in. The family's first meeting takes place in Chandler City Hall, with the department and Habitat to ensure that everyone understands the full process. Initially, all of the properties are free and clear. Habitat's terms of the loan are 0% interest, with a maximum HOME subsidy of \$50,000 and the HOME funds are also used to fill in the gap. The owner signs a voluntary transfer agreement which temporarily transfers ownership of the property to Habitat. The homeowner also signs a Sweat Equity and Purchase Agreement with Habitat that outlines both parties' responsibilities including sweat equity from the homeowner and Habitat's obligation to sell the house back to the homeowner. The City also requires that all of the homeowner's participate in homebuyer counseling. The city is getting ready to embark on their third Habitat house. Please send presentations to Regina so she can compile them for the CAPER.

**10. Program Year Expenditure Update Report-**

Lisa thanked everyone for meeting the end of year deadline. She said that all of the reimbursements submitted have been processed. She said once she is done with the year-end close, she will update all of the financial statements and add the new reallocation amounts.

**11. Announcements and Information-**

Amy thanked everyone for all of their hard work and said that their efforts over the last year are very much appreciated. Amy announced that the County has hired a new Homelessness Project Program Manager. Her name is Margaret Kilman and she will give a presentation at the next Consortium meeting about the County's initiatives. Amy hopes to have a joint discussion about how we can improve coordination and align resources with other jurisdictions.

Jessica Fierro announced that she would be resigning from the Town of Gilbert on August 6<sup>th</sup>, but she will be contract for a little while during the transition. She said that her position has been posted.

**12. Call to the Public-**

Call to the Public is an opportunity for the public to address the Consortium concerning a subject that is not on the agenda. Public comment is encouraged. At the conclusion of an open call to the public, individual members of the Consortium may respond to criticism made by those who have addressed the Consortium, may ask staff to review a matter, or may ask that a matter be put on a future agenda. However, members of the Consortium shall not discuss or take legal action on matters raised during an open Call to the Public unless the matters are properly noticed for discussion and legal action. No response from the public.

**13. Adjournment-**

There being no other business, the Chair entertained a motion for adjournment by Gilbert Lopez and seconded by Jessica Fierro. The motion was passed unanimously. The meeting was adjourned at approximately 11:01 a.m. The next scheduled public meeting will be August 20, 2015. The Town of Gilbert will give a community presentation at the September 17<sup>th</sup> meeting.

Respectfully submitted,



Regina Marette  
Recording Secretary